

JAN 29 2015

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# A BILL FOR AN ACT

RELATING TO BUDGETING.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1. The purpose of this Act is to address the  
2 executive and judiciary budgets.

3       More specifically, this Act:

4       (1) Requires the executive budget and related documents to  
5 identify the position ceiling for each budget program;

6       (2) Requires the position ceiling to separately identify  
7 the maximum numbers of permanent and temporary full-  
8 time equivalent positions authorized; and

9       (3) Prohibits an agency from exceeding the position  
10 ceiling, with certain exceptions.

11       The legislature intends that this Act also apply to the  
12 judiciary budget by operation of section 601-2, Hawaii Revised  
13 Statutes.

14       This Act applies to budget documents submitted to the  
15 legislature after July 1, 2016. The legislature has instituted  
16 the delay so that the information technology system for the



1 budget may be upgraded to accommodate the implementation of this  
2 Act.

3 SECTION 2. Chapter 37, Hawaii Revised Statutes, is amended  
4 by adding a new section to part IV to be appropriately  
5 designated and to read as follows:

6 "§37- Position ceiling. Whenever this part requires a  
7 position ceiling to be specified:

8 (1) The number of permanent positions and temporary  
9 positions shall be separately identified; and

10 (2) The position ceiling shall be expressed in units or  
11 fractions of full-time equivalent positions."

12 SECTION 3. Section 37-62, Hawaii Revised Statutes, is  
13 amended by adding seven new definitions to be appropriately  
14 inserted and to read as follows:

15 "Casual hire position" means an hourly-paid temporary  
16 position, the services of which are required intermittently.

17 "Full-time equivalent position" means a position, the  
18 occupant of which is employed for a normal work week of at least  
19 forty hours or its equivalent.

20 "Permanent position" means a position, the existence of  
21 which has no time limitation.



1       "Position" means a specific job, whether occupied or  
2       vacant, consisting of all duties and responsibilities assigned  
3       or delegated by competent authority, requiring the full or part-  
4       time employment of one person.

5       "Position ceiling" means the maximum number of permanent  
6       and temporary full-time equivalent positions that an expending  
7       agency is authorized for a particular program.

8       "Temporary position" means a position, the existence of  
9       which has a time limitation, or a position that is not otherwise  
10      a permanent position.

11      "Vicing position" means a temporary position created to  
12      back-fill for an incumbent who is on an extended period of  
13      authorized leave of absence."

14      SECTION 4. Section 37-69, Hawaii Revised Statutes, is  
15      amended by amending subsections (c) and (d) to read as follows:

16      "(c) The financial plan for the ensuing six fiscal years  
17      shall more specifically include:

18           (1) Economic data for the State and the counties of the  
19           following kinds:

20                   (A) Population: Including historical, current, and  
21                   projected population count; population



1 distribution by age and sex; estimated increases  
2 and decreases, including increases and decreases  
3 by immigration;

4 (B) Employment: Including magnitude of labor force by  
5 age and sex; labor force participation rates;  
6 employment by age and sex; industry and  
7 occupational surpluses and shortages; effects of  
8 government programs on employment rate;

9 (C) Income: Including per capita and per family  
10 income; disposable income; income distribution;

11 (D) Wages and prices: Including wages by industry and  
12 occupational groups; prices for government  
13 procurement items; construction costs; cost of  
14 living index; price indices for components of  
15 personal consumption;

16 (E) Industry and business trends; and

17 (F) Effects of national economic and financial  
18 policies and conditions;

19 (2) Brief statements disclosing the basis upon which the  
20 revenue estimates in the plan were made, including for  
21 each specific tax and nontax revenue source:



- 1 (A) The previous projections for the last completed  
2 fiscal year and the fiscal year in progress;
- 3 (B) The variance between the projections and the  
4 actual or revised estimate, and the reasons for  
5 the variances;
- 6 (C) Tax or source base and rates;
- 7 (D) Yield projections of existing revenue sources and  
8 existing taxes at authorized rates;
- 9 (E) Assumptions made and methodology used in  
10 projections;
- 11 (F) Changes recommended; and
- 12 (G) Projected yields if changes are adopted; etc.;
- 13 (3) At the lowest level on the state program structure,  
14 for each program:
- 15 (A) The total actual program cost for the last  
16 completed fiscal year, the estimated cost for the  
17 fiscal year in progress, and the estimated cost  
18 for each of the next six fiscal years; research  
19 and development, operating, and capital costs  
20 shall be included and the means of financing  
21 shall be identified. The ~~[number of personnel~~



1           ~~positions]~~ position ceiling and all lease  
2           payments shall be shown for the program,  
3           identified by their means of financing;

4           (B) The program size indicators; the actual size  
5           attained in the last completed fiscal year, the  
6           estimated size for the fiscal year in progress,  
7           and the estimated size for each of the next six  
8           fiscal years; and

9           (C) The effectiveness measures; the actual level of  
10          effectiveness attained in the last completed  
11          fiscal year, the estimated level of effectiveness  
12          for the fiscal year in progress, and the  
13          estimated level for each of the next six fiscal  
14          years;

15          (4) Appropriate displays of paragraph (3)(A) and (C), at  
16          every level of the state program structure above the  
17          lowest level, by the major groupings of programs  
18          encompassed within the level. The displays of  
19          ~~[paragraph]~~ subparagraph (3)(A) shall appropriately  
20          identify the means of financing and ~~[the number of~~  
21          ~~positions]~~ position ceiling included in the level;



1 (5) Financial summaries displaying the State's financial  
2 condition, actual for the last completed fiscal year,  
3 and estimated for the fiscal year in progress and each  
4 of the next six fiscal years, including:

5 (A) A display of the programmed, total state  
6 expenditures, by cost categories, the total state  
7 resources anticipated from existing tax and  
8 nontax sources at existing rates, by resource  
9 categories, including the fund balance or deficit  
10 at the beginning of the fiscal year and bond  
11 receipts, and the resulting fund balance or  
12 deficit at the close of each fiscal year. Lease  
13 payments in each cost category shall be stated  
14 separately; and

15 (B) The changes proposed to the existing tax and  
16 nontax rates, sources or structure, and the  
17 estimated increases or reductions in revenues,  
18 the estimated cumulative increases or reductions,  
19 and the estimated fund balance or deficit in each  
20 of the next six fiscal years as a result of such  
21 proposed changes. Proposals for changes in the



1 existing tax and nontax rates, sources or  
2 structure shall be made in every case where the  
3 proposed, total state expenditures exceed the  
4 total resources anticipated from existing tax and  
5 nontax sources at existing rates.

6 [~~Such~~] The financial summaries shall be prepared for  
7 the total state expenditures and resources and for the  
8 general fund and special fund portions thereof;

9 (6) A summary of the balance of each special fund, actual  
10 for the last completed fiscal year and estimated for  
11 the fiscal year in progress and estimated for each of  
12 the next six fiscal years;

13 (7) A summary of the State's total bond fund required to  
14 carry out the recommended programs and the kinds of  
15 bonds and amounts thereof through which the  
16 requirements were met in the last completed fiscal  
17 year, are to be met in the fiscal year in progress,  
18 and are proposed to be met in each of the next six  
19 fiscal years. The summary shall detail, for each  
20 fiscal year:





(A) Of the total bond fund requirements, the amount, by cost categories, requiring new bond issuance authorization and the kinds and amounts of bonds planned for issuance under ~~[such]~~ the new authorizations;

(B) By bond categories, the total, cumulative balance of bonds authorized in prior years but unissued and the amount thereof proposed to be issued; and

(C) A recapitulation of the total bonds to be issued, including both new authorizations and prior authorizations, by bond categories;

(8) Separately for general fund tax revenues, special fund tax revenues, general fund nontax revenues, and special fund nontax revenues:

(A) By kinds of taxes or sources, the amount of revenue from existing, authorized taxes or sources at existing rates received in the last completed fiscal year and estimated to be received in the fiscal year in progress and in each of the next six fiscal years;



(B) A summary of the proposed changes in the existing taxes or sources or rates, and the estimated increases or reductions in revenues in each of the next six fiscal years resulting from such changes; and

(C) The total estimated revenues with and without the proposed changes in each of the next six fiscal years; and

(9) A summary of the State's total payments due under financing agreements required to carry out the recommended programs and the kinds of financing agreements and amounts thereof through which the requirements were met in the last completed fiscal year, are to be met in the fiscal year in progress, and are proposed to be met in each of the next six fiscal years. The summary shall detail, for each fiscal year:

(A) Of the total financing agreement requirements, the amount, by cost categories, requiring new financing agreement authorizations and the kinds and amounts of financing agreements planned for



1 execution and delivery under [~~sueh~~] the new  
2 authorizations;

3 (B) By cost category, the cumulative balance of  
4 financing agreements authorized in prior years  
5 but not executed and delivered and the amount  
6 proposed to be executed and delivered; and

7 (C) A recapitulation of the total financing  
8 agreements to be executed and delivered,  
9 including both new authorizations and prior  
10 authorizations, by cost categories.

11 (d) The program plans for the ensuing six fiscal years  
12 shall more specifically include:

13 (1) At the lowest level on the state program structure,  
14 for each program:

15 (A) A statement of its objectives;

16 (B) Measures by which the effectiveness in attaining  
17 the objectives is to be assessed;

18 (C) The level of effectiveness planned for each of  
19 the ensuing six fiscal years;

20 (D) A brief description of the activities  
21 encompassed;



- 1 (E) The program size indicators;
- 2 (F) The program size planned for each of the next six  
3 fiscal years;
- 4 (G) A narrative explanation of the plans for the  
5 program. It shall contain, and in general be  
6 limited to, the following:
- 7 (i) A description of the kinds of activities  
8 carried out or unusual technologies  
9 employed;
- 10 (ii) A statement of key policies pursued;
- 11 (iii) Identification of important program or  
12 organizational relationships involved;
- 13 (iv) A description of major external trends  
14 affecting the program;
- 15 (v) A discussion of significant discrepancies  
16 between previously planned cost,  
17 effectiveness, and program size levels and  
18 those actually achieved;
- 19 (vi) Comments on, and an interpretation of, cost,  
20 effectiveness, and program size data over  
21 the upcoming budget period, with special



1 attention devoted to changes from the  
2 current budget period;

3 (vii) Comments on, and an interpretation of, cost,  
4 effectiveness, and program size data over  
5 the four years of the planning period and  
6 how they relate to the corresponding data  
7 for the budget period; and

8 (viii) A summary of the special analytic study,  
9 program evaluation, or other analytic report  
10 supporting a substantial change in the  
11 program where such a major program change  
12 recommendation has been made;

13 (H) The full cost implications of the recommended  
14 programs, by cost categories and cost elements,  
15 actually experienced in the last completed fiscal  
16 year, estimated for the fiscal year in progress,  
17 and estimated for each of the next six fiscal  
18 years. The means of financing shall be  
19 identified for each cost category. The personal  
20 services cost element and the lease payments cost  
21 element shall be shown separately; the cost



1 elements of other current expenses, equipment,  
2 and motor vehicles may be combined. The [~~number~~  
3 ~~of positions included in~~] position ceiling for  
4 the program shall be appropriately identified by  
5 means of financing;

6 (I) A recapitulation of subparagraph (H) for the last  
7 completed fiscal year, the fiscal year in  
8 progress and each of the next six fiscal years,  
9 by means of financing grouped under each cost  
10 category. The [~~number of positions included in~~]  
11 position ceiling for any program shall be  
12 appropriately identified;

13 (J) An identification of the revenues generated in  
14 the last completed fiscal year and estimated to  
15 be generated in the fiscal year in progress and  
16 in each of the next six fiscal years, and the  
17 fund into which [~~such~~] the revenues are  
18 deposited;

19 (K) Details of implementation of each capital  
20 improvement project included in the total program  
21 cost, including:



- 1 (i) A description of the project, location, and  
2 scope;
- 3 (ii) The initially estimated, currently  
4 estimated, and final cost of the project, by  
5 investment cost elements and by means of  
6 financing;
- 7 (iii) The amounts previously appropriated by the  
8 legislature for the project, by cost  
9 elements and by means of financing specified  
10 in the acts appropriating the sums, and an  
11 identification of the acts so appropriating;
- 12 (iv) The costs incurred in the last completed  
13 fiscal year and the estimated costs to be  
14 incurred in the fiscal year in progress and  
15 in each of the next six fiscal years, by  
16 cost elements and by means of financing; and
- 17 (v) A commencement and completion schedule, by  
18 month and year, of the various phases of the  
19 capital improvement project (i.e., land  
20 acquisition, design, construction, and  
21 occupancy) as originally intended, as



1 currently estimated, and as actually  
2 experienced; and

3 (L) A crosswalk of the program expenditures, by cost  
4 categories and cost elements between the program  
5 and expending agencies for the next two fiscal  
6 years. The means of financing [~~and the number of~~  
7 ~~positions included in~~] for the program costs to  
8 be expended by, and position ceiling for, each  
9 agency shall be specified; and

10 (2) Appropriate displays at every level of the state  
11 program structure above the lowest level. The  
12 displays shall include:

13 (A) A listing of all major groupings of programs  
14 included within the level, together with the  
15 objectives, measures of effectiveness, and  
16 planned levels of effectiveness for each of the  
17 ensuing six fiscal years for each [~~such~~] of the  
18 major groupings of programs; and

19 (B) A summary of the total cost of each cost category  
20 by the major groupings of programs encompassed  
21 within the level, actual for the last completed





1           fiscal year and estimated for the fiscal year in  
2           progress and for each of the next six fiscal  
3           years."

4           SECTION 5. Section 37-71, Hawaii Revised Statutes, is  
5 amended by amending subsection (c) to read as follows:

6           "(c) The display of financial requirements for the ensuing  
7 two fiscal years shall more specifically include:

8           (1) At the lowest level on the state program structure,  
9 for each program:

10           (A) The total recommended expenditures, including  
11 research and development, capital and operating  
12 costs, by cost categories and cost elements for  
13 the ensuing biennium; the planned allocation of  
14 the total biennial request, by cost categories,  
15 and cost elements, between the two fiscal years  
16 of the biennium. The means of financing and [the  
17 ~~number of positions~~] position ceiling included in  
18 any cost category amount shall be appropriately  
19 identified;

20           (B) A summary showing means of financing the total  
21 recommended expenditures, those amounts requiring



1 and those amounts not requiring legislative  
2 appropriation or authorization for spending in  
3 each fiscal year of the biennium;

4 (C) A crosswalk of the total proposed biennial  
5 expenditures between the program and expending  
6 agencies. The means of financing [~~the number of~~  
7 positions], position ceiling, and the lease  
8 payments included in any cost amount, and the net  
9 amount requiring appropriation or authorization  
10 shall be appropriately identified for each  
11 expending agency; and

12 (D) The proposed changes in the levels of  
13 expenditures, by cost categories, between the  
14 biennium in progress and the ensuing biennium,  
15 together with a brief explanation of the major  
16 reasons for each change. The reasons shall  
17 include, as appropriate, the following:

18 (i) Salary adjustments to existing positions of  
19 personnel;

20 (ii) The addition or deletion of positions[+] to  
21 or from the position ceiling;



- (iii) Changes in the number of persons being served or to be served by the program;
- (iv) Changes in the program implementation schedule;
- (v) Changes in the actual or planned level of program effectiveness;
- (vi) Increases due to the establishment of a program not previously included in the State's program structure;
- (vii) Decreases due to the phasing out of a program previously included in the State's program structure; and
- (viii) Changes in the purchase price of goods or services;

As appropriate, references to the program and financial plan shall be noted for an explanation of the changes. Notwithstanding the provisions of subsection (b)(5), the proposed changes in the levels of expenditures may be shown to the nearest thousand dollars;



1           (2) Appropriate summaries of paragraph (1)(A) and (C)  
2           immediately above at every level of the state program  
3           structure above the lowest level. [~~Such~~] The  
4           summaries shall be by the major groupings of programs  
5           encompassed within the level. The summaries of  
6           paragraph (1)(A) shall identify the means of financing  
7           ~~[and the number of positions]~~, position ceiling, and  
8           ~~[the]~~ lease payments included in any cost category  
9           amount; and

10          (3) A summary listing of all capital improvement projects  
11          included in the proposed capital investment costs for  
12          the ensuing biennium. The listing shall be by  
13          programs at the lowest level of the state program  
14          structure and shall show for each project, by  
15          investment cost elements:

16           (A) The cost of the project;

17           (B) The amount of funds previously appropriated and  
18           authorized by the legislature; and

19           (C) The amount of new appropriations and  
20           authorizations proposed in each of the two fiscal  
21           years of the ensuing biennium and in each of the



1           succeeding four years. The amount of the new  
2           appropriations and authorizations proposed shall  
3           constitute the proposed new requests for the  
4           project in each of the fiscal bienniums.

5           In every instance, the means of financing shall be  
6           noted."

7           SECTION 6. Section 37-74, Hawaii Revised Statutes, is  
8           amended to read as follows:

9           "**§37-74 Program execution.** (a) Except as limited by  
10          policy decisions of the governor, appropriations by the  
11          legislature, and other provisions of law, the several agencies  
12          responsible for administering state programs shall administer  
13          their program assignments and shall be responsible for their  
14          proper management.

15          (b) The appropriations by the legislature for a biennium  
16          shall be allocated between the two fiscal years of the biennium  
17          in the manner provided in the budget or appropriations act and  
18          as further prescribed by the director of finance. The amounts  
19          allocated for each fiscal year shall be subject to the allotment  
20          system prescribed in chapter 37, part II. Each agency (except  
21          the courts), in estimating its quarterly requirements under



1 chapter 37, part II, shall prepare a plan for the fiscal year  
2 for the operation of each of the programs it is responsible for  
3 administering. The operations plan shall be in [~~such~~] a form  
4 and content as the department of budget and finance may  
5 prescribe. It shall be submitted, together with the estimated  
6 quarterly requirements, to the department of budget and finance  
7 on [~~such~~] a date as the department may prescribe.

8 (c) The department of budget and finance shall:

9 (1) Review each operations plan to determine:

10 (A) That it is consistent with the policy decisions  
11 of the governor and appropriations by the  
12 legislature;

13 (B) That it reflects proper planning and efficient  
14 management methods; and

15 (C) That appropriations have been made for the  
16 planned purpose and will not be exhausted before  
17 the end of the fiscal year;

18 provided that the department of budget and finance  
19 shall review the operations plan submitted by the  
20 University of Hawaii solely for consistency with the  
21 allotment ceilings established by the governor under



1 section 37-34, appropriations by the legislature, the  
2 requirements of chapter 37D, and the status of  
3 revenues to support operations plans for all state  
4 programs;

5 (2) Approve the operations plan if satisfied that it meets  
6 the requirements under paragraph (1). Otherwise, the  
7 department of budget and finance shall require  
8 revision of the operations plan in whole or in part;  
9 and

10 (3) Modify or withhold the planned expenditures at any  
11 time during the appropriation period if the department  
12 of budget and finance finds that the expenditures are  
13 greater than those necessary to execute the programs  
14 at the level authorized by the governor and the  
15 legislature, or that state receipts and surpluses will  
16 be insufficient to meet the authorized expenditure  
17 levels; provided that the planned expenditures for the  
18 University of Hawaii may be modified or withheld only  
19 in accordance with sections 37-36 and 37-37.



1 (d) No appropriation transfers or changes between programs  
2 or agencies shall be made without legislative authorization;  
3 provided that:

4 (1) Authorized transfers or changes, when made, shall be  
5 reported to the legislature;

6 (2) Except with respect to appropriations to fund  
7 financing agreements under chapter 37D, the University  
8 of Hawaii [~~shall have the flexibility to~~] may transfer  
9 appropriated funds and positions for the operating  
10 cost category among programs, among cost elements in a  
11 program, and between quarters, as applicable; except  
12 with respect to appropriations to fund financing  
13 agreements under chapter 37D, the department of  
14 education [~~shall have the flexibility to~~] may transfer  
15 appropriated funds and positions for the operating  
16 cost category among programs and among cost elements  
17 in a program, and between quarters, as applicable; and  
18 the Hawaii health systems corporation and its regional  
19 system boards [~~shall have the flexibility to~~] may  
20 transfer special fund appropriations among regional  
21 system hospital facilities as applicable and as





1 mutually agreed to by the corporation and the  
2 respective regional system board; provided that the  
3 Hawaii health systems corporation and the regional  
4 system boards shall maintain the integrity and  
5 services of each individual regional system and shall  
6 not transfer appropriations out of any regional system  
7 that would result in a reduction of services offered  
8 by the regional system, with due regard for statutory  
9 requirements, changing conditions, the needs of the  
10 programs, and the effective utilization of resources;  
11 and

12 (3) The university and the department of education shall  
13 account for each transfer implemented under this  
14 subsection in quarterly reports to the governor and  
15 annual reports at the end of each fiscal year to the  
16 legislature and the governor, which shall be prepared  
17 in the form and manner prescribed by the governor and  
18 shall include information on the sources and uses of  
19 the transfer.

20 (e) Effective July 1, 2017, no funds shall be expended to  
21 fill a permanent or temporary position for the lowest level of a



1 program if the filling of that position causes the position  
2 ceiling for that level of the program to be exceeded; provided  
3 that this subsection shall not apply to a:

4 (1) Position established by the University of Hawaii or  
5 the Hawaii health systems corporation;

6 (2) Position entirely federally funded;

7 (3) Position necessary for compliance, without undue  
8 delay, with a court order or decree if the director of  
9 human resources development determines that  
10 recruitment through normal civil service procedures  
11 would result in delay or noncompliance;

12 (4) Position approved by the governor for a special,  
13 research, or demonstration project of an agency;

14 (5) Position approved by the governor to perform an  
15 emergency management function under the department of  
16 defense pursuant to the authority of section 127A-  
17 12(b)(9);

18 (6) Casual hire position;

19 (7) Vicing position;

20 (8) Position established by an agency pursuant to express  
21 statutory authorization to establish the position; and



1        (9) Position established by an agency for a program or  
2                    project funded by an appropriation in an act other  
3                    than a general or supplemental appropriations act."

4        SECTION 7. Section 37-75, Hawaii Revised Statutes, is  
5 amended to read as follows:

6        "**§37-75 Variance report.** Not fewer than thirty days prior  
7 to the convening of each regular session of the legislature, the  
8 governor shall submit to the legislature and to each member  
9 thereof a report on program performance for the last completed  
10 fiscal year and the fiscal year in progress. In format, the  
11 report generally shall follow the fiscal requirements portion of  
12 the executive budget or budgets. The report shall include:

13        (1) At the lowest level of the program structure, for each  
14                    program contained in the budget finally approved by  
15                    the legislature for the last completed fiscal year and  
16                    the fiscal year in progress:

17                    (A) A comparison, by the operating and research and  
18                    development cost categories, of the budgeted  
19                    expenditures and the actual expenditures for the  
20                    last completed fiscal year and the budgeted



1 expenditures and the estimated expenditures for  
2 the fiscal year in progress;

3 (B) A comparison, for the operating and research and  
4 development cost categories, of the budgeted  
5 expenditures and [~~positions authorized~~] position  
6 ceiling and the actual expenditures and positions  
7 filled in the last completed fiscal year and a  
8 comparison of the budgeted expenditures and the  
9 [~~number of positions authorized~~] position ceiling  
10 for the fiscal year in progress and the actual  
11 expenditures and number of positions filled in  
12 the first three months of the fiscal year in  
13 progress and the estimated expenditures and  
14 number of positions expected to be filled in the  
15 remaining months of the fiscal year in progress;

16 (C) The program size indicators and a comparison of  
17 the program size anticipated and the size  
18 actually realized in the last completed fiscal  
19 year and the program size anticipated and the  
20 size estimated for the fiscal year in progress;



1 (D) The effectiveness measures and a comparison of  
2 the level of effectiveness anticipated and the  
3 level actually attained in the last completed  
4 fiscal year and the level of effectiveness  
5 anticipated and the level estimated for the  
6 fiscal year in progress; and

7 (E) A narrative explanation of the significant  
8 differences for the last completed fiscal year in  
9 each of the comparisons made in subparagraphs  
10 (A), (B), (C), and (D), including an explanation  
11 of the basis upon which the original estimates  
12 were made and the reasons why the estimates  
13 proved accurate or inaccurate, and a statement of  
14 what the actual experience portends for the  
15 future of the program in terms of costs, size,  
16 and effectiveness;

17 provided that expenditure amounts in the comparisons  
18 shall be shown to the nearest thousand dollars;

19 (2) Appropriate summaries at each level of the state  
20 program structure for each major grouping of programs  
21 encompassed therein, showing:



1 (A) A comparison of the total budgeted expenditure  
2 and the total actual expenditure for the last  
3 completed fiscal year and the total budgeted  
4 expenditure and the total estimated expenditure  
5 for the fiscal year in progress; provided that  
6 the expenditure amounts shall be shown to the  
7 nearest thousand dollars;

8 (B) The effectiveness measures and a comparison of  
9 the level of effectiveness anticipated and the  
10 level actually attained in the last completed  
11 fiscal year and the level of effectiveness  
12 anticipated and the level estimated for the  
13 fiscal year in progress; and

14 (C) A narrative explanation summarizing the major  
15 reasons for the differences in the comparisons  
16 made for the last completed fiscal year in  
17 subparagraphs (A) and (B); and

18 (3) A narrative explanation of the significant variations  
19 in capital improvement costs; provided that capital  
20 improvement project variances shall be referenced to  
21 the six-year program and financial plan, which shall



1 contain the information specified in section 37-  
2 69(d)(1)(K)."

3 SECTION 8. Section 76-16, Hawaii Revised Statutes, is  
4 amended by amending subsection (b) to read as follows:

5 "(b) The civil service to which this chapter applies shall  
6 comprise all positions in the State now existing or hereafter  
7 established and embrace all personal services performed for the  
8 State, except the following:

9 (1) Commissioned and enlisted personnel of the Hawaii  
10 National Guard as such, and positions in the Hawaii  
11 National Guard that are required by state or federal  
12 laws or regulations or orders of the National Guard to  
13 be filled from those commissioned or enlisted  
14 personnel;

15 (2) Positions filled by persons employed by contract where  
16 the director of human resources development has  
17 certified that the service is special or unique or is  
18 essential to the public interest and that, because of  
19 circumstances surrounding its fulfillment, personnel  
20 to perform the service cannot be obtained through



1 normal civil service recruitment procedures. Any such  
2 contract may be for any period not exceeding one year;

3 (3) Positions that must be filled without delay to comply  
4 with a court order or decree if the director  
5 determines that recruitment through normal recruitment  
6 civil service procedures would result in delay or  
7 noncompliance, such as the Felix-Cayetano consent  
8 decree;

9 (4) Positions filled by the legislature or by either house  
10 or any committee thereof;

11 (5) Employees in the office of the governor and office of  
12 the lieutenant governor, and household employees at  
13 Washington Place;

14 (6) Positions filled by popular vote;

15 (7) Department heads, officers, and members of any board,  
16 commission, or other state agency whose appointments  
17 are made by the governor or are required by law to be  
18 confirmed by the senate;

19 (8) Judges, referees, receivers, masters, jurors, notaries  
20 public, land court examiners, court commissioners, and





1 attorneys appointed by a state court for a special  
2 temporary service;

- 3 (9) One bailiff for the chief justice of the supreme court  
4 who shall have the powers and duties of a court  
5 officer and bailiff under section 606-14; one  
6 secretary or clerk for each justice of the supreme  
7 court, each judge of the intermediate appellate court,  
8 and each judge of the circuit court; one secretary for  
9 the judicial council; one deputy administrative  
10 director of the courts; three law clerks for the chief  
11 justice of the supreme court, two law clerks for each  
12 associate justice of the supreme court and each judge  
13 of the intermediate appellate court, one law clerk for  
14 each judge of the circuit court, two additional law  
15 clerks for the civil administrative judge of the  
16 circuit court of the first circuit, two additional law  
17 clerks for the criminal administrative judge of the  
18 circuit court of the first circuit, one additional law  
19 clerk for the senior judge of the family court of the  
20 first circuit, two additional law clerks for the civil  
21 motions judge of the circuit court of the first



1 circuit, two additional law clerks for the criminal  
2 motions judge of the circuit court of the first  
3 circuit, and two law clerks for the administrative  
4 judge of the district court of the first circuit; and  
5 one private secretary for the administrative director  
6 of the courts, the deputy administrative director of  
7 the courts, each department head, each deputy or first  
8 assistant, and each additional deputy, or assistant  
9 deputy, or assistant defined in paragraph (16);

10 (10) First deputy and deputy attorneys general, the  
11 administrative services manager of the department of  
12 the attorney general, one secretary for the  
13 administrative services manager, an administrator and  
14 any support staff for the criminal and juvenile  
15 justice resources coordination functions, and law  
16 clerks;

17 (11) (A) Teachers, principals, vice-principals, complex  
18 area superintendents, deputy and assistant  
19 superintendents, other certificated personnel,  
20 not more than twenty noncertificated



- 1 administrative, professional, and technical  
2 personnel not engaged in instructional work;
- 3 (B) Effective July 1, 2003, teaching assistants,  
4 educational assistants, bilingual/bicultural  
5 school-home assistants, school psychologists,  
6 psychological examiners, speech pathologists,  
7 athletic health care trainers, alternative school  
8 work study assistants, alternative school  
9 educational/supportive services specialists,  
10 alternative school project coordinators, and  
11 communications aides in the department of  
12 education;
- 13 (C) The special assistant to the state librarian and  
14 one secretary for the special assistant to the  
15 state librarian; and
- 16 (D) Members of the faculty of the University of  
17 Hawaii, including research workers, extension  
18 agents, personnel engaged in instructional work,  
19 and administrative, professional, and technical  
20 personnel of the university;



- 1       (12) Employees engaged in special, research, or  
2       demonstration projects approved by the governor;
- 3       (13) (A) Positions filled by inmates, patients of state  
4       institutions, persons with severe physical or  
5       mental disabilities participating in the work  
6       experience training programs;
- 7       (B) Positions filled with students in accordance with  
8       guidelines for established state employment  
9       programs; and
- 10       (C) Positions that provide work experience training  
11       or temporary public service employment that are  
12       filled by persons entering the workforce or  
13       persons transitioning into other careers under  
14       programs such as the federal Workforce  
15       Investment Act of 1998, as amended, or the Senior  
16       Community Service Employment Program of the  
17       Employment and Training Administration of the  
18       United States Department of Labor, or under other  
19       similar state programs;
- 20       (14) A custodian or guide at Iolani Palace, the Royal  
21       Mausoleum, and Hulihee Palace;



1       (15) Positions filled by persons employed on a fee,  
2           contract, or piecework basis, who may lawfully perform  
3           their duties concurrently with their private business  
4           or profession or other private employment and whose  
5           duties require only a portion of their time, if it is  
6           impracticable to ascertain or anticipate the portion  
7           of time to be devoted to the service of the State;

8       (16) Positions of first deputies or first assistants of  
9           each department head appointed under or in the manner  
10          provided in section 6, article V, of the state  
11          constitution; three additional deputies or assistants  
12          either in charge of the highways, harbors, and  
13          airports divisions or other functions within the  
14          department of transportation as may be assigned by the  
15          director of transportation, with the approval of the  
16          governor; four additional deputies in the department  
17          of health, each in charge of one of the following:  
18          behavioral health, environmental health, hospitals,  
19          and health resources administration, including other  
20          functions within the department as may be assigned by  
21          the director of health, with the approval of the



governor; an administrative assistant to the state  
librarian; and an administrative assistant to the  
superintendent of education;

(17) Positions specifically exempted from this part by any  
other law; provided that:

(A) Any exemption created after July 1, 2014, shall  
expire three years after its enactment unless  
affirmatively extended by an act of the  
legislature; and

(B) All of the positions defined by paragraph (9)  
shall be included in the position classification  
plan;

(18) Positions in the state foster grandparent program and  
positions for temporary employment of senior citizens  
in occupations in which there is a severe personnel  
shortage or in special projects;

(19) Household employees at the official residence of the  
president of the University of Hawaii;

(20) Employees in the department of education engaged in  
the supervision of students during meal periods in the  
distribution, collection, and counting of meal



1 tickets, and in the cleaning of classrooms after  
2 school hours on a less than half-time basis;

3 (21) Employees hired under the tenant hire program of the  
4 Hawaii public housing authority; provided that not  
5 more than twenty-six per cent of the authority's  
6 workforce in any housing project maintained or  
7 operated by the authority shall be hired under the  
8 tenant hire program;

9 (22) Positions of the federally funded expanded food and  
10 nutrition program of the University of Hawaii that  
11 require the hiring of nutrition program assistants who  
12 live in the areas they serve;

13 (23) Positions filled by persons with severe disabilities  
14 who are certified by the state vocational  
15 rehabilitation office that they are able to perform  
16 safely the duties of the positions;

17 (24) The sheriff;

18 (25) A gender and other fairness coordinator hired by the  
19 judiciary; and

20 (26) Positions in the Hawaii National Guard youth and adult  
21 education programs.



1       The director shall determine the applicability of this  
2 section to specific positions.

3       Nothing in this section shall be deemed to affect the civil  
4 service status of any incumbent as it existed on July 1, 1955.

5       This subsection shall not be construed as granting express  
6 statutory authorization for the creation of any position  
7 referenced above. Such a position may be created only by an act  
8 or statute other than this subsection that expressly authorizes  
9 the position and for which funding has been provided by the  
10 legislature."

11       SECTION 9. Section 601-2, Hawaii Revised Statutes, is  
12 amended by amending subsection (b) to read as follows:

13       "(b) The chief justice shall possess the following powers,  
14 subject to such rules as may be adopted by the supreme court:

15       (1) To assign circuit judges from one circuit to another;

16       (2) In a circuit court with more than one judge, (A) to  
17 make assignments of calendars among the circuit judges  
18 for such period as the chief justice may determine  
19 and, as deemed advisable from time to time, to change  
20 assignments of calendars or portions thereof (but not  
21 individual cases) from one judge to another, and (B)





1 to appoint one of the judges, for [~~sueh~~] a period as  
2 the chief justice may determine, as the administrative  
3 judge to manage the business of the court, subject to  
4 the rules of the supreme court and the direction of  
5 the chief justice;

6 (3) To prescribe for all of the courts a uniform system of  
7 keeping and periodically reporting statistics of their  
8 business;

9 (4) To procure from all of the courts estimates for their  
10 appropriations; with the cooperation of the  
11 representatives of the court concerned to review and  
12 revise them as the chief justice deems necessary for  
13 equitable provisions for the various courts according  
14 to their needs and to present the estimates, as  
15 reviewed and revised by the chief justice, to the  
16 legislature as collectively constituting a unified  
17 budget for all of the courts;

18 (5) To exercise exclusive authority over the preparation,  
19 explanation, and administration of the judiciary  
20 budget, programs, plans, and expenditures, including  
21 without limitation policies and practices of financial



1 administration and the establishment of guidelines as  
2 to permissible expenditures, provided that all  
3 expenditures of the judiciary shall be in conformance  
4 with program appropriations and provisions of the  
5 legislature, and all powers of administration over  
6 judiciary personnel that are specified in Title 7; and  
7 (6) To do all other acts [~~which~~] that may be necessary or  
8 appropriate for the administration of the judiciary.  
9 The budget, supplemental budget, six-year program and financial  
10 plan, and the variance report of the judiciary shall be  
11 submitted by the chief justice to the legislature in accordance  
12 with the schedule of submission specified for the governor in  
13 chapter 37 and shall contain the program information prescribed  
14 in that chapter[?] as applicable to the judiciary. By November  
15 1 of each year preceding a legislative session in which a budget  
16 is to be submitted, the chief justice shall provide written  
17 notification to the governor of the proposed total expenditures,  
18 by cost categories and sources of funding, and estimated  
19 revenues of the judiciary for each fiscal year of the next  
20 fiscal biennium[?] or fiscal year, as applicable."



1       SECTION 10. If, on January 1, 2016, section 76-16(b),  
2 Hawaii Revised Statutes, differs from the version amended in  
3 section 8 of this Act, the revisor of statutes shall incorporate  
4 the amendments under section 8 into section 76-16(b), Hawaii  
5 Revised Statutes.

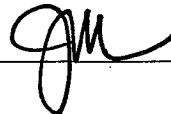
6       If the revisor finds that the amendments under section 8  
7 cannot be incorporated into section 76-16(b), Hawaii Revised  
8 Statutes, without violating the effect and intent of the  
9 amendments and other provisions of the subsection, the revisor  
10 shall submit to the legislature a bill to appropriately  
11 incorporate the amendments into the subsection.

12       SECTION 11. Statutory material to be repealed is bracketed  
13 and stricken. New statutory material is underscored.

14       SECTION 12. This Act shall take effect on July 1, 2016,  
15 and shall apply to the six-year program and financial plans,  
16 budgets, supplemental budgets, and variance reports submitted to  
17 the legislature, beginning with the regular session of 2017.

18

INTRODUCED BY: \_\_\_\_\_



# S.B. NO. 1361

**Report Title:**

State Budget; Position Ceiling, Temporary Positions

**Description:**

Requires "position ceilings" to be included in the executive budget and related documents. Requires a "position ceiling" to separately identify the maximum number of permanent and temporary positions authorized in the executive budget. Prohibits the expenditure of funds on positions exceeding the applicable ceiling, with certain exceptions. States intent that the provisions also apply to the judiciary budget by operation of existing law. Takes effect on 07/01/16.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

